



# PRESS RELEASE

## Internal Revenue Service - Criminal Investigation *Chief Richard Weber*

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IRS – Criminal Investigation

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### **Nevada Business Owner and Bookkeeper Plead Guilty to Federal Employment Tax Crimes**

The owner of several Reno, Nevada landscaping and rock hauling businesses pleaded guilty in federal court today to one count of failure to file over employment taxes, announced Acting Assistant Attorney General Caroline D. Ciruolo of the Justice Department's Tax Division and U.S. Attorney Daniel G. Bogden of the District of Nevada. The bookkeeper for the businesses pleaded guilty to one count of willful failure to file taxes.

According to court documents, Kyle Archie, 44, of Reno, was the part owner of Reno Rock Inc., GKPA Inc. and D Rockeries Inc. during the years 2001 through 2010. As part of his plea, Kyle Archie admitted that he was responsible for the day-to-day operations of the businesses and therefore had a legal duty to collect, truthfully account for and pay over to the Internal Revenue Service (IRS) federal income taxes and Federal Insurance Contribution Act taxes that were withheld from the wages of the businesses' employees during the years 2003 through 2009. Kyle Archie further admitted that although he collected these taxes from his employees' wages and held them in trust, he failed to pay over the employment taxes to the IRS for the third quarter of 2008.

Linda Archie, 67, of Reno, who is Kyle Archie's mother, worked as the bookkeeper for Reno Rock Inc., GKPA Inc. and D. Rockeries Inc. during the years 2001 through 2010. In that capacity, she was responsible for maintaining the books and records of the companies and filing documents with various government agencies. In her plea agreement, Linda Archie admitted that between 2003 and 2009 she failed to file Employer's Quarterly Federal Tax Returns (Forms 941) on behalf of these businesses to account for the taxes that were withheld from the employees' wages.

U.S. District Judge Miranda M. Du of the District of Nevada set sentencing for Aug. 15. Kyle Archie faces a statutory maximum sentence of five years in prison and a \$250,000 fine. Linda Archie faces a statutory maximum sentence of one year in prison and a \$100,000 fine. Both defendants have also agreed to pay restitution to the IRS. In

the plea agreement, the government asserts that the tax loss is \$1,242,260. The defendants have admitted that their actions caused a loss to the IRS of at least \$545,000.

Acting Assistant Attorney General Ciruolo and U.S. Attorney Bogden commended special agents of IRS-Criminal Investigation, who investigated the case and Assistant U.S. Attorney Carla B. Higginbotham of the District of Nevada and Trial Attorney Kathleen M. Barry of the Tax Division, who prosecuted the case.

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